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**Electronically Recorded** 

Official Public Records

2/17/2011 12:27 PM

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Mary Louise Garcia

Mary Louise Garcia

PGS 3

\$24.00

**Tarrant County Texas** 

Submitter: ACS



DALE PROPERTY SERVICES, LLC ATTN: RECORDING TEAM 500 TAYOLR ST. STE 600 FORT WORTH, TEXAS 76102

Submitter: DALE PROPERTY SERVICES, LLC

MARY LOUISE GARCIA TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE **100 WEST WEATHERFORD** FORT WORTH, TX 76196-0401

DO NOT DESTROY

WARNING - THIS IS PART OF THE OFFICAL RECORD

**ELECTONICALLY RECORDED** BY ACS ERXCHANGE

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Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE W/ OPTION v. 5

## PAID UP OIL AND GAS LEASE (No Surface Use)

Electronically Recorded Chesapeake Operating, Inc.

THIS LEASE AGREEMENT is made this 14th day of February, 2011, by and between John Danna and wife, Lisa Danna whose address is 5713 Southern Hills Dr. North Richland Hills, TX 76180, as Lessor, and CHESAPEAKE EXPLORATION, L.L.C., AN OKLAHOMA LIMITED LIABILITY COMPANY, whose address is P.O. Box 18496, Oklahoma City, Oklahoma 73154-0496, as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described land hereinafter called leased premises:

land, hereinafter called leased premises:

 $\underline{.302}$  ACRES OF LAND, MORE OR LESS, BEING <u>BLK 1 LOT 47</u>, OUT OF THE <u>IRON HORSE ADDITION - PHASE II</u>, AN ADDITION TO THE CITY OF <u>NORTH RICHLAND HILLS</u>, <u>TARRANT</u> COUNTY, TEXAS, ACCORDING TO THAT CERTAIN PLAT RECORDED IN CABINET <u>A</u>, SLIDE <u>8326</u>, OF THE PLAT RECORDS OF TARRANT COUNTY, TEXAS.

in the county of TARRANT, State of TEXAS, containing <u>.302</u> gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter well as hydrocarbon gases. In addition to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the land so covered. For the purpose of determining execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of <u>THREE YEARS</u> (3) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons.

separated at Lessee's separator facilities, the royalty shall be <u>TWENTY FIVE PERCENT</u> (25)% of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for market price then prevailing in the same field, then in the nearest field in which there is no such price then prevailing in the same field. production of similar grade and gravity; (b) for gas (including casing head gas) and all other substances covered hereby, the royalty shall be TWENTY FIVE PERCENT (25)% of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such incurred by Lessee, then prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in production there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which the nearest field in which there is such as prevailing which in the production of such as the date on which there is no such price the production there from is not being sold by Lessee, such well or wells are such in or production there from is not being sold by Lessee, in the purpose of maintaining this lease. If for a period of 90 consecutive days such well or wells are shuft-in or production there from is not being sold by shuft-in royalty period and thereafter on or before each anniversary of the end production of similar grade and gravity; (b) for gas (including casing head gas) and all other substances covered hereby, the royalty shall be TWENTY FIVE PERCENT

at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments.

5. Except as provided for in Puragraph 3, above, if Lessee drills a well which is incapable of producing in paying quantities, (hereinafter called "dry hole") on the leased pressure of the purpagnant of the purpagnant of the purpagnant of the provisions of the purpagnant is or the action of any governmental authority, then in the event this lease is not otherwise being maintained in force it shall pressure the provisions of reasons to the case of the pressure of the provisions of the provisions of the pressure of

of the leased premises or lands pooled therewith shall be reduced to the proportion that Lesson's interest in such part of the leased premises.

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change rights and obligations of the parties hereunder shall be binding on Lessee until 60 days ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee or after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order.

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hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

if Lessee releases all or an undivided interest in less than all of the area covered hereby, lessee's obligation to pay or tender shut-in royalties shall be proportionately recursed in accordance with the net acrosage interest retained hereunder.

10. In exploring for, developing, produced interest and another substances covered hereby on the leased premise or canale produce or unitized herewith, in 10. In exploring, produced and marketing oil, gas and other substances covered hereby on the leased premise or lands pooled or unitized herewith, in 10. In exploring for, developing, producing or of largess and egress along with the right to conduct such operations on the leased premises as may be primary and/or enhanced recovery. Lesses including but not limited to geophysical operations, the diffing of wells, and the constraint and use of roads, canals, pipelines, tanks, water wells, disposal who in the large production. Lessee may use in such operations, free of cost, any oil, gas, water and/or canales and such canales to the contract of the production. Lessee may use in such operations, free of cost, any oil, gas, water and/or canales produced the leased premises described in Paragraph 1 above, notwithstanding any partial released premises or produced the lease green produced to the canales of the production of the leased premise of the production of the lease of premise or canales and the production of the lease of premise or canales and the production of the lease of premise or canales and the production of the lease of premise or canales and the production of the lease of premise or canales of the production of the lease of premise or such canales and lease and the production of the lease of premise or such canales and lease and lease and lease and lease of the lease of premise or such canales and lease and lease and lease of the lease of premise or such canales and lease and lease of the lease of premise or such canales and lease and lease of the lease of t

17. Lessor, and their successors and assigns, hereby grants Lessee an option to extend the primary term of this lease for an additional period of <u>TWO YEARS</u> (2) rears from the end of the primary term by paying or tendering to Lessor prior to the end of the primary term the same bonus consideration, terms and conditions as granted for

years from the end of the primary term by paying or tendering to Lessor prior to the end of the primary term the same bonus consideration, terms and conditions as granted for this lease.

18. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

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18. This lease may be executed in original and all of which only constitute one origi acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor noting get the nightest price of uniform terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate

